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June 18, 2004

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW, Room TWB-204  
Washington, DC 20554

Re: Federal-State Joint Board on Universal Service, WC Docket No. 96-45;  
1998 Biennial Regulatory Review – Streamlined Contributor Reporting  
Requirements Associated with Administration of Telecommunications Relay  
Service, North American Numbering Plan, Local Number Portability, and  
Universal Service Support Mechanisms, WC Docket No. 98-171;  
Telecommunications Services for Individuals with Hearing and Speech  
Disabilities, and the Americans with Disabilities Act of 1990, WC Docket No. 90-  
571;  
Administration of the North American Numbering Plan and North American  
Numbering Plan Cost Recovery Contribution Factor and Fund Size, WC Docket  
No. 92-237, NSD FileNo. L-00-72;  
Number Resource Optimization, WC Docket No. 99-200;  
Telephone Number Portability, WC Docket No. 95-116;  
Truth-in-Billing and Billing Format, WC Docket No. 98-170

Dear Ms. Dortch:

Yesterday, Jim Dionne, Randall Hounsell, Mark Lemler, and I, all of AT&T, met via conference call with Cathy Carpino and Anthony Dale of the Telecommunications Access Policy Division. The purpose of the call was to discuss the petition filed by AT&T for a waiver from those provisions of the Commission's Universal Service Fund ("USF") rules that require adjustments to carriers' first quarter 2003 revenue projections to be submitted not later than March 20, 2003, so as to eliminate the effect of a first quarter 2003 projection error in the annual true-up process.

More specifically, AT&T explained its proposed true-up methodology in which AT&T would replace Line 120 of its February 1, 2003 Form 499Q with a representation of "actual

collected" revenues for first quarter 2003. AT&T also provided Staff with the following methodology that could be used to calculate "actual collected" revenues for first quarter 2003, as this is a quarterly figure not previously provided to USAC. First, billed revenues attributed to the first quarter of 2003 would be obtained from AT&T's April 1, 2004 Form 499A. AT&T explained that these revenues are slightly different than the first quarter 2003 historical billed revenues submitted as part of AT&T's May 1, 2003 Form 499Q. This is because the Form 499A contains more accurately categorized data resulting from reviews that have taken place during the course of the year. Second, the uncollectible rate obtained by dividing Line 422 by Line 420 of the Form 499A would be applied uniformly to all quarters of 2003. Applying the uncollectible rate to the first quarter 2003 billed revenues would yield the "actual collected" revenues, which would replace the "projected collected" revenues currently reflected in Line 120 of AT&T's February 1, 2003 Form 499Q.

As part of this discussion, we confirmed that in the event that USAC is unable to conduct the true-up as set forth in the waiver request, in the alternative, AT&T supports a process by which USAC would adjust the historical billed revenue for first quarter 2003 (provided in AT&T's May 1, 2003 Form 499Q) for uncollectible rates taken from the Form 499A filed on April 1, 2004.

One electronic copy of this Notice is being submitted to the Secretary of the FCC in accordance with Section 1.1206 of the Commission's rules.

Sincerely,

A handwritten signature in black ink, appearing to read "Amy L. Alvarez". The signature is fluid and cursive, with a large, stylized "A" and "L".

cc: Cathy Carpino  
Anthony Dale